

California School-Based MAA Manual

SECTION 9

MAA Contracts

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Contract Requirements

For a LEC/LGA to claim reimbursement for MAA, Welfare and Institutions Code 14132.47(b) requires that the LEC/LGA have a contract with DHCS, the single state agency for administering the Medicaid program. This document is called the MAA Contract.

Lateral Agreements/Memorandums of Understanding

The MAA Contract is designed so the LEC/LGA may act on behalf of LEAs claiming reimbursement for MAA. LEAs intending to seek reimbursement through MAA must have a similar agreement or contract with the LEC/LGA that holds the DHCS contract. Its language mirrors the DHCS contract so that other participating agencies may be held to the same terms and conditions set forth in the contract between DHCS and the LEC/LGA. An LEA may only contract with the regional LEC or local county LGA. Claiming units must be fiscally affiliated with an LEA or COE to claim. A cohort/offsite program of a community college must bill through the region in which its fiscal agent is located.

Administrative Fees Charged to Claiming Units

LECs and LGAs participating in the MAA program must monitor invoices to ensure that administrative fees they charged to their LEAs or claiming units are not reported by both the LEC/LGA and LEA claiming unit. The cost of activities included on the MAA invoice may only be claimed by one entity if they are on the LEC/LGA invoice; they may not be claimed on other invoices, such as the LEA or subcontractor claiming unit invoices. If they are claimed on the individual LEA or subcontractor invoices, they may not also be claimed on the LEC/LEA invoice. Allowable administrative costs are described in this manual, in the Medi-Cal Claims Administration, Coordination, and Training section (Code 15) and in the County-Based MAA Provider Manual in the MAA/TCM Coordination and Claims Administration section (Activity G). These manuals are available at www.dhcs.ca.gov/maa. (See PPL 06-001.)

Including such fees or activities in more than one entity's invoice would result in duplication of claims for federal financial participation. An example of sound oversight to safeguard against duplication would be:

1. A LEC/LGA conducts MAA Coordination and Claims Administration and contracts with LEAs/subcontractors that conduct MAA.
2. The LEC/LGA charges the LEAs/subcontractors an administrative fee for the MAA costs of its own staff that are associated with the coordination. These costs are claimed on the LEC/LEA invoice.
3. While reviewing the LEA/subcontractor invoices, the LEC/LGA notices that the LEAs/subcontractors include the administrative fee as MAA Coordination Costs on the Direct Charges Worksheet, Line 31(d) (School-Based MAA invoice) or as Other Costs in Cost Pool 6, Line H (County-Based MAA invoice).

4. The LEC/LGA had already identified and included the costs of the activities associated with these administrative fees in its own MAA invoice.
5. The LEC/LGA returns the MAA invoice to the LEA/subcontractor for correction to delete the administrative fee cost. The administrative fee expense cannot be reported as an expense on the LEA/subcontractor invoice.

Alternatively, if the LEC/LGA allows its LEAs/subcontractors to include in their MAA invoices the cost of administrative fees charged by the LEC/LEA, then the LEC/LGA must not include in its own MAA invoice the cost of activities associated with these administrative fees. An example of sound oversight to safeguard against duplication would be:

1. An LEC/LGA conducts MAA Coordination and Claims Administration and contracts with LEAs/subcontractors that conduct MAA.
2. The LEC/LGA charges the LEAs/subcontractors an administrative fee for the MAA costs of its own staff that are associated with the coordination.
3. While reviewing the LEA/subcontractor invoices, the LEC/LGA notices that the LEAs/subcontractors include the administrative fee as MAA Coordination Costs on Direct Charges Worksheet, Line 31(d) (School-Based MAA invoice) or as Other Costs in Cost Pool 6, Line H (County-Based MAA invoice).
4. The LEC/LGA does not include in its own MAA invoice the costs of the activities associated with these administrative fees.

Contract Agencies

LEC/LGAs and LEAs may deliver their services through contract providers. These contract agencies, or community-based organizations (CBOs), may also participate in MAA. The contract language must reflect the intent of the contract agency to perform some or all of the allowable MAA.

Local matching funds that support claims for reimbursement of the cost of providing school-based MAA must constitute Certified Public Expenditures; that is, they must come from county or city governments, schools or any other public entities. They may not come from CBOs that are nongovernmental or private agencies. To qualify as a federally reimbursable MAA expense, the LEC/LGA or LEA must have made a certified public expenditure (CPE) in support of MAA being claimed. CPE can be generally defined as an expenditure of non-federal public funds (defined in federal regulation 42 CFR §433.51) that support the provision of MAA activities within the claiming unit.

For further information, refer to PPL 05-005.

Host Entity: DHCS Contract

The Host Entity, if applicable, is the designated administrative and fiscal intermediary for all LEC/LGA contracts with DHCS to perform administrative activities. DHCS determines each year the staffing requirements upon which the DHCS-projected costs

are based. The projected costs include the anticipated salaries, benefits, overhead, operating expenses, and equipment necessary to administer the MAA program.

The contract requires the host entity to submit invoices to and collect from each LEC/LGA, its portion of the payment for the DHCS-projected administrative costs for which each participating LEC/LGA is liable. Funds are disbursed to DHCS to reimburse the costs incurred by DHCS for the performance of administrative activities. The payments are remitted to the department within 60 days of receipt of the DHCS invoice to the host entity.

Host Entity: LEC/LGA Contract

The Host Entity, if applicable, contracts with the participating LEC/LGA and invoices the LEC/LGA for the annual participating fee. The contract specifies the responsibility of the Host Entity contractors.

Personal Services Contracts

Personal Services Contracts are agreements/contracts for an entity (non-employee) whose contract language does not specify performing MAA. These staff are treated like district-employed staff and must time-survey. Their job classifications must be identified on the Grid and must include a separate duty statement if it differs from those of other claiming staff on the Grid.

Subcontractor Contracts

Subcontractor contracts are agreements/contracts for entities (non-employees) who conduct specific MAA on behalf of the claiming unit. The contract must specify the MAA being conducted and the projected amount of time and cost to perform such activities. When such language exists, staff do not need to time-survey and services can be direct-charged.

Contract Amendments

Contracts with DHCS to provide school-based MAA may be amended. The required amendment forms must be submitted to DHCS within 90 days of the end of the fiscal year in which the contracted activities were conducted. These forms must be requested in a timely manner by email or letter addressed to:

California Department of Health Services
Medi-Cal Benefits Branch
Administrative Claiming Local and Schools Services Section
1501 Capitol Avenue, MS 4601
P.O. Box 997417
Sacramento, CA 95899-7417

Elements of the Interagency Agreement

(This subsection is adapted from CMS's "School-Based Administrative Activities Guide," page 6. It summarizes the points made above.)

The interagency agreement must include:

- Mutual objectives of the agreement;
- Responsibilities of all the parties to the agreement;
- Activities or services each party to the agreement offers and under what circumstances;
- Cooperative and collaborative relationships at the state and local levels;
- Specific administrative claiming time study activity codes which have been approved by CMS, by reference or inclusion;
- Specific methodology that has been approved by CMS for computation of the claim, by reference or inclusion;
- Methods for reimbursement, exchange of reports and documentation, and liaison between the parties, including designation of state and local liaison staff.

The interagency agreement should address the Medi-Cal administrative claiming process, identify the services DHCS will provide for the local entity, including any related reimbursement and funding mechanisms, and define oversight activities and responsibilities. All participation requirements DHCS determines to be mandatory for ensuring a valid process should be detailed in the agreement. Maintenance of records, participation in audits, designation of local project coordinators, training timetables and criteria, and submission of fiscal information are all important elements of the interagency agreement. Also, the specific methodology, which may include a standardized claim form, the mechanism for filing the claim, and the approved time study codes for use by the local entity, are valid agreement elements.